

## FY 1998 Federal Government Expenditures and Tax Collections

The Administration released information on expenditures and tax collections for the Federal Government yesterday for Fiscal Year 1998 ending September 30, 1998. The results:

- (1) *A Surplus of \$70 Billion.*
- (2) *Total receipts (tax collections, etc..) of \$1.721 Trillion, compared to \$1.579 Trillion in 1997.*
- (3) *Total expenses of \$1.651 Trillion, compared to \$1.601 Trillion in 1997.*

The actual FY 1998 surplus is \$70 billion or 0.8 percent of Total National Economic Activity (GDP). This is first surplus since 1969, and the largest as a percentage of GDP since 1956. In dollar terms, it is the largest ever. The surplus marks the sixth consecutive year of improvement in the Federal budget balance since the deficit peaked at \$290.4 billion , or 4.7 percent of GDP, in 1992.

Since 1992, boosted by continued economic growth and Federal Government downsizing and lower expenditures, overall Government expenditures have grown at an average rate of only 3.0 percent per year, less than half the average of 7.3 percent per year over the preceding 12 years. At the same time, receipts (tax collections) have risen at an annual rate of 7.9 percent per year, faster than the 6.4 percent average of 1980 through 1992 -- this change has contributed to the decline in the deficit and the realization of a surplus.

Because of the success in reducing the deficit, and finally moving into a surplus position, the debt held by the public has been reduced for the first time in 29 years. As a share of the economy, the debt held by the public has declined for five consecutive years, and is now below its 1991 level.

On the tax side, you might be interested in the following recap for 1998:

- (1) *Individual Income Taxes were \$829 Billion, compared to \$737 Billion in 1997.*
- (2) *Corporation Income Taxes were \$189 Billion, compared to \$182 Billion in 1997.*
- (3) *Social Insurance & Retirement Receipts were \$572 Billion, compared to \$539 Billion in 1997. This includes Social Security, Medicare, unemployment insurance, etc..*
- (4) *Excise Taxes were \$58 Billion, compared to \$57 Billion in 1997.*
- (5) *Estate and Gift Taxes were \$24 Billion, compared to \$20 Billion in 1997.*
- (6) *Customs Duties were \$18 Billion, compared to the same \$18 Billion in 1997.*
- (7) *Other Misc. Receipts were \$32 Billion, compared to \$25 Billion in 1997. This includes lots of small items, including user fees. (THINK OF THIS ITEM THE NEXT TIME YOU VISIT A NATIONAL PARK, OR RENEW YOUR PASSPORT.)*